

# Memorandum

City Manager's Office



Date: January 5, 2017  
To: Mayor and City Council, Issue Review Session  
Through: Andrew Ching, City Manager  
From: Chad Weaver, Community Development Director  
Subject: Incentives to Limit R-3 Zoning Development

## OVERVIEW:

Recent development projects of R-3 Zoning have made it clear there are times when the City may want to encourage landowners to build under the allowed limits of R-3 Zoning. However, there is currently little economic incentive for a developer to under-build. Staff was asked to prepare some options for consideration that may limit intensification such as waivers, expedited approvals, or incentives to retain a property and neighborhood's character. As early as 1948, the neighborhoods southwest of Tempe's downtown began seeing the land use evolution of properties rezoned to a multi-family zoning district. By 1957 what is now known as the Maple-Ash Neighborhood was entirely R-2 multi-family zoning, including properties on either side of Farmer Avenue (University to 13<sup>th</sup> Street). In 1964 the multi-family zoning designations of what primarily exist today, with additional areas into the Wilson Arts and Garden Neighborhood, have the zoning districts of R-2, R-3R and R-3, which range in allowable densities.

## DEFINITIONS:

R1-6 District, zoning that allows Single-Family, one (1) dwelling unit within a minimum 6,000 sf. lot.

R-2 District, zoning that allows up to 10 dwelling units per acre, for Single-Family or Multi-Family use.

*(Example: majority of homes with R-2 zoning in the neighborhood are 9,147-10,000 sf. lots, which allows up to two (2) dwelling units)*

R-3R District, zoning that allows up to 15 dwelling units per acre, for Single-Family and Multi-Family use.

R-3 District, zoning that allows up to 20 dwelling units per acre, for Single-Family and Multi-Family use.

R-4 District, zoning that allows up to 25 dwelling units per acre, for Single-Family and Multi-Family use.

R-5 District, zoning that allows up to 30 dwelling units per acre, for Single-Family and Multi-Family use.

### OPTIONS FOR COUNCIL CONSIDERATION:

Below is a list of tools out of the Community Development Department that City Council can consider to provide staff further direction on:

1. **Character-Defining Design Principles.** Most of the neighborhoods with R-3 zoning property with single-family homes exist within Character Area 3. As directed by City Council in early 2016, staff will be preparing draft design principles based on the community feedback. (IN PROCESS)
2. **Historic Designation (Overlay Zoning).** Continue to offer/encourage eligible properties, with property owner's authorization, and have those properties apply for a Historic Overlay Designation and placed on the Historic Preservation Commission's property register. Final decision subject to public hearings and City Council adoption. For properties that have a historic overlay, any new development or building additions would require additional review through the Historic Preservation Commission, prior to any standard application process. Properties are evaluated to ensure little to no impact to the historic significance of the property. However, designation alone is not sufficient an incentive tool to limit a properties allowance to density. Designation, accompanied by easily identifiable incentives or down-zoning application would ultimately preserve the character and integrity of the property.
  - a. **Update to Tempe's Historic Inventory Survey.** Tempe's Historic Preservation Officer and Commission is looking to update the inventory of surveyed properties through an analysis of residential and commercial properties that are 50 years or older. In addition to fulfilling responsibilities outlined in the City's preservation ordinance and meeting the requirements of the Certified Local Government agreement, updating development contexts and property inventories will allow for an expedited and better informed review of applications for designation, alteration, etc. Community Development will be pursuing this effort through the appropriate supplemental budget options for a potential consultant. The last consultant survey was produced over 15 years ago.
  - b. **Other Historic Incentives.** Other examples include City of Scottsdale's Historic Residential Exterior Rehabilitation Program. A grant providing city funding assistance (up to \$7,500) which in return requires the home owner to provide a façade conservation easement. City of Phoenix's Historic Preservation Bond Funding, a voter-approved referendum (approx. \$18 million) utilized for historic preservation efforts.
3. **Accessory Dwelling Units (ADUs).** Adopt an ordinance that would allow Accessory Dwellings as a way to mitigate residential density demands in a less impactful way. Standards and procedures could be developed to streamline the process and encourage a secondary dwelling for R-3 or Multi-Family zoned properties with an existing single-family use. An accessory dwelling (600 sf or less) would not count

towards the density of the property, thus retaining the properties single-family use designation. ADUs also provide a more affordable housing option in an urban environment and have been growing in popularity with programs showcasing Tiny Houses.

4. **Voluntary Down-Zoning.** Incentivize property owners to maintain their single-family home and rezone from R-3 to a less intense zoning density, such as a Single-Family zoning district. This would limit or restrict any future owner from adding dwelling units to the property. Council could consider providing property owners for a limited time period, at no cost to the applicant, a waiver of the standard zoning fees required for an application (\$2,520.00 + \$126.00 per acre). Council would also need to address the new Code requirement that an applicant shall simultaneously process a Development Plan Review, as another potential exception to this process. All requests would be evaluated individually to determine if the request meets the intent of the program and is consistent with the General Plan 2040 Projected Land Use Map and Projected Residential Density Map. An example in the City of Phoenix (2005-6), community leaders within the historic Roosevelt District initiated an application to collectively down zone R-3 and R-4 Multi-Family properties to an R-2 Zoning which would allow properties with ancillary dwellings on the back to remain. Other possible streamlining of the application procedures would be evaluated that are otherwise designed for a complex development process.

Staff will be available and can assist with any other Council considerations and further direction on the items listed above. Thank you!